Government of Saskatchewan

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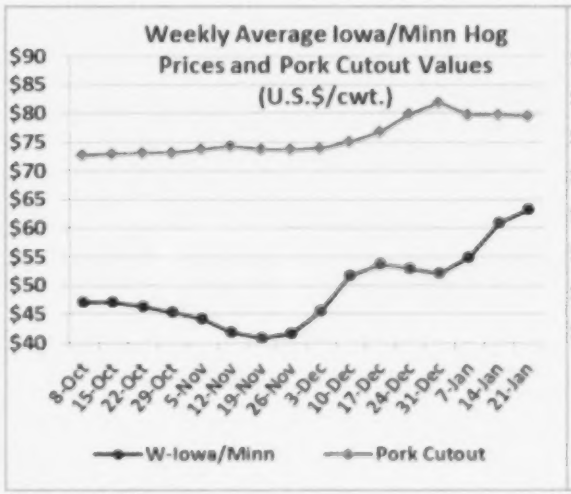
Weekly Hog Report

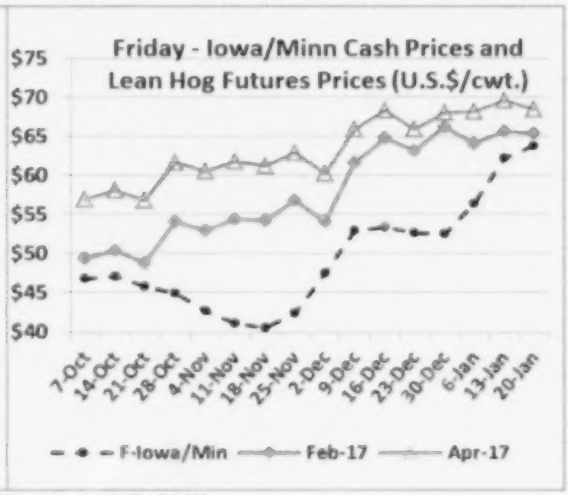
January 23, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued higher last week. Hog prices on Friday January 20 averaged US$63.70 per cwt, up US$1.58 per cwt or 2.5 per cent from US$62.12 per cwt the previous Friday. The negotiated weekly base price last week averaged US$63.24 per cwt, up US$2.49 per cwt or 4.1 per cent from US$60.75 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

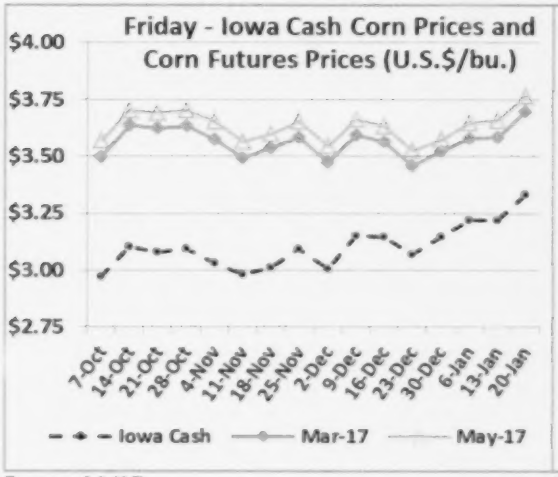
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday January 20, 2017 was $157.65 per ckg, up $7.94 per ckg or 5.3 per cent from $149.71 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $153.46 per ckg, up $8.78 per ckg or 6.1 per cent from the previous weeks' average price of $144.68 per ckg. The Canadian dollar settled Friday at 75.04 cents, down 1.14 cents from 76.18 cents the previous Friday. Comments by Canada Bank of Canada on potentially reducing interest rates if needed pushed the Canadian dollar lower mid-week.

Futures Markets

United States lean hog futures daily prices were mixed last week but prices edged lower, week-over-week. The nearby February contract declined US$0.300 per cwt to settle Friday at US$65.300 per cwt. The April 2017 lean hog futures contract declined US$1.150 per cwt last week to settle Friday at US$68.475 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$53.41 per head, up US$2.13 per head from US$51.28 per head the previous week. Feeders (40lb) averaged US$67.61 per head, down US$1.90 per head from US$69.51 per head, the previous week.



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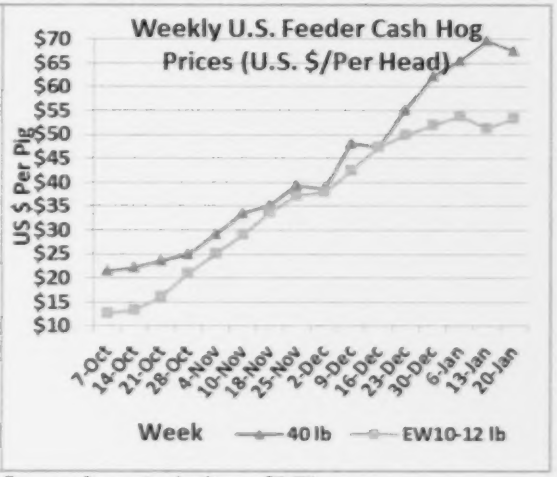

Source: Iowa Agriculture, CME

U.S. corn prices were primarily higher last week. Iowa cash corn prices settled Friday at US$3.33 per bushel, up eleven cents from US$3.22 per bushel the previous Friday. The March corn futures contract increased over eleven cents to settle Friday at US$3.69 ¾ per bushel, while the May 2017 corn contract increased almost eleven cents per bushel to settle Friday at US$3.76 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 21 were estimated at 2.324 million head, down 3.0 per cent from 2.395 million head the previous week, but up 0.8 per cent from 2.305 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.218 million head, down 1.6 per cent from 2.254 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending January 14, 2017 were estimated at 448,289 head, up 19.5 per cent from 375,256 head the previous shorter week, and up slightly from 447,394 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 360,802 head, down 12.2 per cent from 410,993 head over the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the week ending January 14, 2017 were estimated at 180,615 head, up 8.6 per cent from 166,238 head the previous shorter week, and up 1.8 per cent from 177,638 head the same week a year ago.

Meat Production

U.S. pork production for the week ending January 21, 2016 was estimated at 491.9 million lb., down 2.9 per cent from 506.4 million lb. the previous week, but unchanged from 491.9 million lb. the same week a year ago. Pork production over the last four week's ending January 21 was estimated to average 470.4 million lb., down 2.6 per cent from 482.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending January 21 was estimated at 473.9 million lb., down 6.6 per cent from 507.6 million lb. the previous week, and down 1.1 per cent from 479.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending January 14, 2017, was estimated to average 1.971 billion lb., up 6.2 per cent from 1.855 billion lb. over the same four weeks a year ago.

Cutout Values

U.S. national pork cutout values for the week ending January 21, 2016 averaged US$79.58 per cwt, down slightly from US$79.73 per cwt the previous week, but up 7.4 per cent from US$74.12 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending January 21, 2016 averaged US$191.65 per cwt over the week, down slightly (US$0.35 per cwt) from US$192.00 per cwt the previous week, and down 16.2 per cent from US$228.73 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending January 21, 2016 averaged US$100.01 per cwt, up slightly from US$99.90 per cwt the previous week, but down 7.8 per cent from US$108.44 per cwt the same week a year ago.

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